STATE OF MICHIGAN

JOHN ENGLER
GOVERNOR

DEPARTMENT OF COMMUNITY HEALTH
LANSING

JAMES K. HAVEMAN, JR.
DIRECTOR

May 2002

Dear Medicaid Provider:

The purpose of this letter is to inform you that the Michigan Department of Community Health (MDCH) is actively working toward implementation of the federally mandated Health Insurance Portability and Accountability Act (HIPAA) transaction standards.

Two key HIPAA standards—electronic claim and encounter formats and remittance advice transactions—will be implemented by MDCH effective October 1, 2002. As of that date, the following claim and encounter formats and remittance advice transactions will be accepted/transmitted:

> HIPAA transaction sets billing agents send to MDCH:
> - Professional Claim/Encounter – ANSI X12N 837, version 4010
> - Institutional Claim/Encounter – ANSI X12N 837, version 4010
> - Dental Claim/Encounter – ANSI X12 837, version 4010
>
> HIPAA transaction sets MDCH sends to billing agents:
> - Remittance Advice – ANSI X12 835, version 4010

Effective October 1, 2002, the MDCH will no longer accept any of its current proprietary electronic claim formats (e.g., dental, long-term care, etc.). From that date until the HIPAA transaction requirements are fully implemented by the MDCH on October 1, 2003, all electronic claims must be submitted utilizing one of the following national standard formats, regardless of date of service.

> - ANSI X12N 837 Professional, versions 3051 or 4010
> - ANSI X12N 837 Institutional, version 4010 or UB-92, EMC 5.0
> - ANSI X12N 837 Dental, version 4010

Effective October 1, 2003, all claims to the MDCH must be submitted using the ANSI X12N 837 version 4010 formats. We encourage you to not invest time and money in old, outdated claim forms, but instead to move towards adopting the HIPAA-compliant billing formats.

Implementation Guides for all of the HIPAA transactions sets are available at www.wpc-edi.com/HIPAA. In addition, the Michigan Electronic Billing Manual specifies how to submit these transactions to MDCH, and is available on the MDCH website at www.michigan.gov/mdch. Once in the website, click on Providers, Information for Medicaid Providers, Michigan Medicaid Uniform Billing Project, Electronic Claim Submission Information. Please note that the processes described in the Michigan Electronic Billing Manual represent a combination of the current electronic processes with a note toward the future.

The Michigan Department of Community Health has been meeting with the other major payers in Michigan: Blue Cross Blue Shield of Michigan and Medicare Part A & Part B. We will be collaborating on specific initiatives to assist Michigan providers with the new HIPAA transaction standards. We are planning joint HIPAA informational seminars during the last week of May 2002. The three major payers in Michigan will be accepting the common claim transactions (837/4010) and this should assist in standardization and increased submission of electronic claims and encounter transactions.

The MDCH, in collaboration with the Michigan Virtual University, has created training modules covering the billing policies for completing professional and institutional claims. Although the training is for the completion of the paper HCFA 1500 and UB-92 claim forms, the code sets and billing policies described also apply to the electronic claim formats. These can be found at www.Healthcare.MIVU.org.

Medicaid providers may submit test transactions beginning July 1, 2002 for claim/encounter transactions (837/4010) and receipt of remittance advice transactions (835/4010). Testing of other required HIPAA transactions will begin no later than April 1, 2003. To assure your transactions and code sets are HIPAA compliant, MDCH recommends that you utilize a third-party testing service (e.g., Claredi). Specific information on the testing process and timeframes will be posted on the Department's website.

If you have any questions regarding the changes being made, you may contact the Provider Inquiry Line at 800-292-2550 or e-mail your questions to providersupport@michigan.gov.

Cordially,

James K. Haveman, Jr.

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